

Environment

The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

Over the last three decades, our Nation has made great progress in providing for a better environment and improving public health. Our gross domestic product increased 187 percent, our population has grown 40 percent, and our energy consumption has increased 47 percent, yet air pollution from the six major pollutants has decreased by 54 percent. Our air and water are cleaner today than when President Bush first took office, and the President is committed to delivering even greater progress by focusing on cooperative approaches. His 2007 Budget reflects that commitment with increased funding for conserving our natural resources, improving drinking water security, and broadening our domestic energy options in an environmentally responsible manner.

The President's FY 2007 Budget:

- Provides \$50 million to implement new grant programs to cut pollution from diesel engines.
- Continues the Administration's commitment to provide a total of \$6.8 billion for the Clean Water State Revolving Fund between 2004 and 2011, helping communities finance their wastewater infrastructure needs.
- Reforms the EPA process for awarding State grants to improve performance, consistency, and accountability.
- Sustains operational funding to continue high satisfaction ratings from visitors to national parks, refuges, forests, and public lands.
- Advances conservation of wetlands, uplands, and coasts; and promotes wildlife through the Cooperative Conservation Executive Order.
- Fully funds the Northwest Forest Plan, allowing for 800 million board feet of lumber to be offered for harvest from Forest Service land.
- Continues Forest Service reforms that will result in a savings of more than \$115 million over three years.

The 2007 Budget also includes:

Pursuing Cleaner, More Efficient Energy Technologies

- \$150 million for the Biomass and Biorefinery Initiative to help lower our long-term oil dependence by increasing funding to develop affordable, domestically produced bio-based transportation fuels and other products largely derived from oil today.

- \$148 million for the Solar America Initiative to accelerate the development of affordable solar photovoltaics, an emissions-free solution helping to meet the Nation's growing demand for electricity.
- \$54 million towards design and construction of FutureGen, a next-generation power plant which would generate electricity and hydrogen from coal with near-zero atmospheric emissions.
- \$50 million for diesel engine retrofit and replacement grants authorized by sections 791-797 of the Energy Policy Act of 2005. The funding will be used to reduce the amount of pollution from diesel-powered vehicles, such as trucks, buses, tractors, ships, and trains. Grants will be awarded to eligible entities in areas of the country that are not meeting national air quality standards.
- \$268 million for R&D on technologies that will be used in FutureGen and similar next generation coal-fueled power plants, including fuel cells, turbines, coal gasification, carbon sequestration, and hydrogen separation.
- Funding for FutureGen and the rest of the Coal Research Initiative in the 2007 Budget nearly completes the President's 2000 campaign commitment to provide \$2 billion over 10 years for clean coal technology research, four years ahead of schedule.
- \$289 million for the Hydrogen Fuel Initiative to develop the fundamental science and technologies to produce, store, and distribute hydrogen for use in fuel-cell vehicles, electricity generation, and other applications.
- \$9 million increase for the National Institute of Standards and Technology for research to address technological barriers to efficient and economic use of hydrogen.

Promoting Economic Development and Reducing Poverty

- \$163 million for EPA's Brownfields Program, including grants to support local revitalization of contaminated properties through environmental assessment, cleanup, and job training activities, which in turn revitalize communities and create business development, green space, or housing.
- \$1.26 billion for EPA's Superfund program to clean up hazardous waste sites and return the land to productive reuse.

Achieving Water Quality Improvements

- \$19 million for a water quality monitoring initiative that will provide grants to States to implement statistically valid monitoring programs.
- \$688 million for the Clean Water State Revolving Fund to provide grants to States to capitalize their municipal wastewater State revolving funds. This funding level maintains the Administration's commitment to provide \$6.8 billion over eight years, meeting the long-term annual revolving level goal of \$3.4 billion.
- \$842 million to capitalize the Drinking Water State Revolving Fund that communities use to finance drinking water systems and infrastructure improvements, including compliance with regulatory requirements. Statistics show that drinking water quality is improving. The Centers for Disease Control and Prevention recently estimated that 31 drinking water related waterborne disease outbreaks occurred in 2001-2002, down from 39 outbreaks in 1999-2000.
- \$50 million for the Great Lakes Legacy Act, a \$20 million increase over 2006 levels, to accelerate the cleanup of contaminated sediments in the region, preventing contaminants from entering the food chain.

Conserving Wildlife, Wetlands and Waters

- \$322 million for Cooperative Conservation programs at the Department of the Interior, enhancing on-the-ground environmental results by leveraging resources, promoting innovation, and inspiring citizen stewardship. Programs include the Landowner Incentive, Private Stewardship, and State and Tribal Wildlife grant programs in the Fish and Wildlife Service (FWS).
- \$75 million for State and Tribal Wildlife Grants, a \$7.2 million increase over 2006 enacted levels. The grant program assists States and Federally recognized tribes in the development and implementation of activities that benefit wildlife. In 2007, \$5 million of the \$7.2 million increase will establish a new competitive grant program that focuses on innovative and collaborative projects with a strong emphasis on achieving measurable results.
- \$403 million to enroll 250,000 acres in the Wetlands Reserve Program (WRP) to help meet the President's commitment to create, improve, and protect at least three million wetland acres over a five-year period through 2009.
- \$68 million, an increase of \$41 million (up 117 percent), for the Forest Service timber sales component of the Northwest Forest Plan, an integrated, comprehensive design for ecosystem management, intergovernmental and public collaboration, and rural community economic assistance involving nearly 25 million acres of Federal forests in western Oregon, Washington, and northern California.
- \$3 million to implement the National Fish Habitat Initiative by developing new partnerships modeled after the Migratory Bird Joint Ventures, and finalize an action plan with national goals and performance standards similar to the successful North American Waterfowl Management Plan. In addition to the NFHI, the Budget is helping aquatic species restoration in many ways, including doubling the funding to remove man-made barriers that block fish movement.
- \$90 million to improve the reliability of water supplies and water quality, improve habitat, and restore fisheries populations in the Klamath Basin in Oregon and California.
- \$15 million to continue the Water 2025 initiative, focusing resources on areas likely to experience water conflicts in the next 20 years. These goals include diversifying water supplies (through improving technology and infrastructure and supporting water markets), increasing water supply certainty and flexibility, and providing added environmental benefits to watersheds.

Conserving Farmlands

- Over \$4 billion through USDA's conservation programs to assist farmers and ranchers with protecting and enhancing natural resources on their agricultural operations, such as improving soil and water quality and restoring wetlands and wildlife habitat. This funding level represents a \$261 million increase in support from 2006 to USDA's conservation programs.
- Within the total of \$4 billion in conservation funding, the 2007 Budget provides \$342 million for the Conservation Security Program (CSP), a 32 percent increase. The CSP rewards farmers and ranchers for their existing levels of conservation and provides incentives for them to enhance their environmental stewardship.
- \$10 million for the Natural Resources Conservation Service's Wildlife Habitat Incentives Program (WHIP) to work with partners to reconnect aquatic species to historic habitats and to restore natural water flows by removing barriers to fish passage. These activities complement the Department of Commerce's new Open Rivers Initiative.
- \$10 million for Animal and Plant Health Inspection Services (APHIS) to award competitive grants to private sector groups that address invasive species problems that impact agriculture.

APHIS will award the grants to project sponsors to work cooperatively in local communities to implement innovative invasive species management and eradication techniques.

Implementing the Healthy Forests Initiative and the Healthy Forests Restoration Act

- \$492 million for hazardous fuels reduction, over four times the amount provided in 2000. The Healthy Forests Initiative budget in 2007 will reduce hazardous fuel loads and insect infestation on approximately 3 million acres, up from 1.2 million in 2000. From 2001-2005, the Forest Service and Interior agencies treated a total of 12.9 million acres. In 2006, the agencies intend to treat an additional 2.9 million acres, including nearly 75 percent treated in the wildland-urban interface.
- \$154 million to the USDA Forest Service to monitor the environmental effects of the Healthy Forests Initiative and other projects on our national forests. By supporting watershed enhancements, vegetation management, and forest health research, the Budget improves forest and rangeland health to protect communities, wildlife habitats, and municipal watersheds from catastrophic fires.

Restoring the Everglades

- \$233 million, an increase of \$12 million over the 2006 enacted level, for activities that will benefit the ecosystem of South Florida including the Everglades, while supporting future population growth. This includes \$48 million (\$35 million for the Army Corps of Engineers and \$13.3 million for the National Park Service) to move forward with the Modified Water Delivery project, which will allow more water to pass under Tamiami Trail (U.S. Highway 41) and enter Everglades National Park. Under the Comprehensive Everglades Restoration Plan, Corps of Engineers work on seepage control north and south of Tamiami Trail, the Kissimmee River, and aquifer storage and recovery pilot projects will also be a priority.

Sustaining Operations at National Parks, Refuges and Public Lands

- \$3.1 billion to support operations by Interior's land management agencies. Operational funding for parks, refuges, and public lands together will be \$42 million higher than last year and \$537 million (21 percent) higher than 2001 levels. Together with management reforms and improved efficiency, this funding will uphold the consistently high satisfaction ratings that the Interior agencies have earned in visitor surveys.

Recovering Salmon

- Approximately \$578 million in discretionary and mandatory spending for salmon restoration and conservation efforts in the Columbia/Snake river basin. This funding supports an interdepartmental effort by the Army Corps of Engineers, the Department of Agriculture, the Department of Commerce, the Department of the Interior, and the Environmental Protection Agency to recover West Coast salmon populations, many of which are listed as threatened or endangered.
- Includes \$67 million for the Pacific Coastal Salmon Recovery Fund. The Department of Commerce's NOAA administers these grants to help share the costs of conservation activities for at-risk Pacific salmon runs in Washington, Oregon, Idaho, California, and Alaska.

Ocean and Coastal Programs

- Significant resources for the National Oceanic and Atmospheric Administration's (NOAA) ocean and coastal programs in support of the President's U.S. Ocean Action Plan. More than

- \$1 billion is requested for the NOAA ocean and coastal programs and fisheries and protected species activities. The Budget supports ocean research and exploration, locally developed action strategies to address threats to coral reefs, and improved fisheries science and management, including support for programs in the Gulf of Mexico and regional management councils.
- \$6 million for the Open Rivers Initiative to remove small, obsolete dams and other river barriers to help repair riverine ecosystems and fish habitat and provide an economic boost for communities. The Budget also provides \$5 million for the U.S. Fish and Wildlife Service and \$10 million for the Natural Resources Conservation Service to complement these goals.
 - \$21.4 million for NOAA to implement the President's plan to provide the United States with nearly 100 percent detection capability for a U.S. coastal tsunami. The new system will also expand monitoring capabilities throughout the Pacific and Atlantic/Caribbean basins, providing tsunami warnings for regions bordering half of the world's oceans.
 - Proposes changes to the Coastal Zone Management Act (CZMA) grants program to increase the competitiveness of grant funding and target resources towards issues of high regional and national interest.